

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

UNITED STATES OF AMERICA

v.

WAJAHAT KHAN (04)

NO. 3:23-CR-252-K

FACTUAL RESUME

In support of Wajahat Khan's plea of guilty to the offense in Count One of the indictment, Wajahat Khan, the defendant, Suzy Vanegas, the defendant's attorney, and the United States of America (the government) stipulate and agree to the following:

ELEMENTS OF THE OFFENSE

To prove the offense alleged in Count One of the indictment, charging a violation of 18 U.S.C. § 1349 (18 U.S.C. § 1344(2)), that is, Conspiracy to Commit Bank Fraud, the government must prove each of the following elements beyond a reasonable doubt:¹

- First:* That two or more persons made an agreement to commit bank fraud, as charged in the indictment;
- Second:* That the defendant knew the unlawful purpose of the agreement; and
- Third:* That the defendant joined in the agreement willfully, that is, with the intent to further the unlawful purpose.

The elements of Bank Fraud, a violation of 18 U.S.C. § 1344(2), are as follows:²

- First:* That the defendant knowingly executed a scheme or artifice;
- Second:* That the scheme or artifice was executed to obtain monies or other property from a financial institution, as alleged in the indictment;

¹ *United States v. Martinez*, 921 F.3d 452, 467 (5th Cir. 2019).

² Fifth Circuit Pattern Jury Instruction 2.58B (5th Cir. 2019).

Third: That the scheme or artifice was executed by means of false or fraudulent pretenses, false or fraudulent representations, or false or fraudulent promises; and

Fourth: That the false or fraudulent pretenses, representations, or promises were material.

STIPULATED FACTS

1. Wajahat Khan admits and agrees that from in or about March 2020, through in or about April 2023, in the Northern District of Texas and elsewhere, he knowingly and willfully combined, conspired, confederated, and agreed with codefendants Mihir Patel, Prateek Desai, Kinjal Patel, Imran Khan, Chirag Gandhi, Bhavesh Patel, Dharmesh Patel, Mitra Bhattarai, and Bhargav Bhatt to knowingly execute and attempt to execute a scheme and artifice to obtain any of the moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation (“FDIC”), by means of materially false and fraudulent pretenses, representations, and promises, in violation of 18 U.S.C. § 1344(2).

The Recycling Companies

2. Wajahat Khan agrees that Elephant Recycling, Inc. (“Elephant Recycling”) and Gulf Coast Scrap, Inc. (“Gulf Coast Scrap”) were purported metal recycling companies operating as a loosely affiliated group of entities.

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The Paycheck Protection Program Fraud

3. Wajahat Khan agrees that the Paycheck Protection Program (“PPP”), implemented by the Small Business Administration (“SBA”), was a COVID-19 relief initiative that, among other things, provided small businesses with forgivable loans to pay for payroll and certain other expenses. Under the PPP, participating third-party lenders approved loan applications and disbursed PPP loans to qualifying businesses. Wajahat Khan admits that he knew that to obtain a PPP loan, a business was required to submit a PPP loan application to a lender. In the PPP loan application, the business was required to state, among other things, the business’s average monthly payroll. This payroll information was used to calculate the amount of funds that the business was eligible to receive as a PPP loan.

4. Wajahat Khan agrees that American Bank, National Association (“American Bank”) and Midwest Regional Bank were financial institutions, as defined in 18 U.S.C. § 20, whose deposits were insured by the FDIC. He agrees that American Bank and Midwest Regional Bank participated in the PPP as lenders. He agrees that Midwest Regional Bank was located in the Northern District of Texas.

5. Wajahat Khan admits that, from in or about March 2020, through in or about April 2023, Wajahat Khan, conspiring with codefendants Mihir Patel, Prateek Desai, Kinjal Patel, Imran Khan, Chirag Gandhi, Bhavesh Patel, Dharmesh Patel, Mitra Bhattarai, and Bhargav Bhatt, obtained, and attempted to obtain, PPP loans on behalf of various recycling companies and individuals by submitting, and causing to be submitted, to several financial institutions false and fraudulent PPP loan applications.

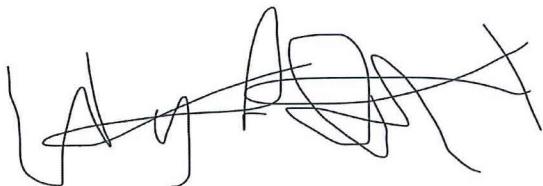
6. Specifically, Wajahat Khan admits that, in furtherance of the conspiracy, he and his coconspirators prepared PPP loan applications that falsely inflated the recycling companies' monthly payroll expenses, and created fraudulent documentation, such as payroll expense summary charts, to support these false applications. For instance, Wajahat Khan admits that, on or about April 8, 2020, he and his codefendants Mihir Patel, Mitra Bhattarai, Dharmesh Patel, Prateek Desai, Kinjal Patel, and Bhavesh Patel prepared and caused to be submitted to Midwest Regional Bank a PPP loan application on behalf of Elephant Recycling that falsely inflated the recycling company's payroll costs.

7. Wajahat Khan further admits that, as a result of this application's materially false and fraudulent representations, Midwestern Regional Bank provided Elephant Recycling with \$222,400 in PPP funds.

8. Wajahat Khan admits that, in furtherance of the conspiracy, he caused financial institutions to fund the PPP loans identified in Exhibit A.

9. The defendant agrees that the defendant committed all the essential elements of the offense. This factual resume is not intended to be a complete accounting of all the facts and events related to the offense charged in this case. The limited purpose of this statement of facts is to demonstrate that a factual basis exists to support the defendant's guilty plea to Count One of the indictment.

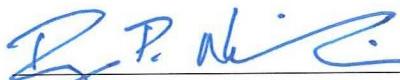
AGREED TO AND STIPULATED on this 4th day of November, 2024.



WAJAHAT KHAN
Defendant

/s/ Suzy Vanegas
SUZY VANEGRAS
Attorney for Defendant

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UNITED STATES ATTORNEY



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EXHIBIT A

Financial Institution	PPP Loan Number
Midwest Regional Bank	4683297203
Midwest Regional Bank	4008408409
American Bank	5243578201
American Bank	4331308305